



Sen. Heather A. Steans

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1 AMENDMENT TO SENATE BILL 550

2 AMENDMENT NO. _____. Amend Senate Bill 550 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Public Health Act is amended
5 by adding Section 5.2 as follows:

6 (20 ILCS 2305/5.2 new)

7 Sec. 5.2. Identification of plumbing-related lead hazards
8 in schools. To protect children and other members of the public
9 from any threat to public health that might be posed by lead in
10 drinking water at schools, the Department of Public Health
11 shall, as soon as practicable after the effective date of this
12 amendatory Act of the 99th General Assembly but no later than
13 June 30, 2018, adopt rules that (i) establish a program to
14 identify, in each school in the State, any lead service line or
15 lead-bearing plumbing that is a lead hazard, as defined in
16 Section 2 of the Lead Poisoning Prevention Act, and (ii)

1 require the mitigation of those lead hazards within a
2 reasonable time after their identification.

3 Section 10. The Environmental Protection Act is amended by
4 changing Sections 19.3 and 19.4 and by adding Section 17.11 as
5 follows:

6 (415 ILCS 5/17.11 new)

7 Sec. 17.11. Lead in drinking water prevention.

8 (a) For the purposes of this Section:

9 "First-draw sample" means one liter of water volume
10 collected at a source of potable water and prior to the
11 sample there must be a minimum of 6 hours during which
12 there is no water used from the source of potable water or
13 any sources adjacent or close to that source.

14 "Non-source origination community water system" means
15 a community water system owned by a city, village, or
16 incorporated town that receives improved water from a
17 source origination community water system and distributes
18 that water outside the corporate limits of the city,
19 village, or incorporated town that owns the source
20 origination community water system.

21 "Potentially affected residence" means any residence
22 where water service is or may be temporarily interrupted or
23 shut off by the community water supply because the supply
24 is carrying out construction or repair work.

1 "School" means any school district or public, private,
2 charter, or nonpublic day or residential educational
3 institution, constructed prior to 1987 that provides
4 education from pre-kindergarten through grade 5 and
5 receives water from a community water supply.

6 "Source of potable water" means the point at which
7 non-bottled water exits any tap, faucet, drinking
8 fountain, or similar point of use regularly ingested by
9 children or used for food preparation.

10 "Source origination community water system" means a
11 community water system owned by a city, village, or
12 incorporated town that operates a waterworks whereby a
13 source of water from a lake, river, or other source is
14 treated at the waterworks and furnished to a non-source
15 origination community water system that operates outside
16 the corporate limits of the city, village, or incorporated
17 town.

18 (b) Prior to December 31, 2019, schools shall collect and
19 the owner or operator of a community water supply shall analyze
20 for lead a first-draw sample from representative sources of
21 potable water located at each school within the community water
22 supply distribution system. Representative sources of potable
23 water shall include at least one sample from each unique model
24 of drinking fountain or fixture that provides potable water.
25 The community water supply shall provide the school with
26 technical assistance to determine the sampling locations that

1 are most representative of the sources of potable water at each
2 school. The community water supply shall supply each school
3 with the sampling instructions and equipment necessary to
4 collect all required lead samples. Lead sampling results
5 obtained shall not be used for purposes of determining
6 compliance with the Board rules that implement the national
7 primary drinking water regulations for lead and copper. The
8 community water supply shall submit all lead sampling results
9 to the school and the Department of Public Health within 7
10 business days of receipt of the results. If any sample exceeds
11 the lead action level of 15 parts per billion (15 micrograms
12 per liter), the school shall promptly notify the parents or
13 legal guardians of all enrolled students of the exceedance and
14 its location within the school and direct them to the United
15 States Environmental Protection Agency's website for
16 information about lead in drinking water.

17 An investor-owned water utility shall be allowed to
18 annually recover expenditures associated with this Section
19 through its rates.

20 (c) Within 180 days after the effective date of this
21 amendatory Act of the 99th General Assembly, the owner or
22 operator of a community water supply shall develop and submit
23 to the Department of Public Health a plan to compile a
24 comprehensive inventory of all lead service lines within the
25 community water supply distribution system including privately
26 owned lead service lines. At a minimum, the plan shall include:

1 (1) a procedure for determining whether any water
2 service lines exposed as a result of construction or
3 excavation by the community water supply or any other
4 public utility are made of lead; and

5 (2) a procedure by which the owner or operator of the
6 community water supply will update the information in its
7 lead service line inventory on at least an annual basis.

8 The owner or operator of a community water supply shall
9 implement the lead service line inventory development plan in
10 accordance with its terms.

11 (d) On or before April 15 of each year, the owner or
12 operator of a community water supply shall submit to the
13 Department of Public Health an inventory of all known lead
14 service lines within its community water supply distribution
15 system, including privately owned lead service lines current
16 through at least the end of the previous calendar year. The
17 lead service line inventory shall separately identify the lead
18 service lines that were added to the inventory after the
19 previous year's submission and shall include a summary that
20 provides:

21 (1) the total number of service lines within the
22 community water supply distribution system;

23 (2) the percentage of service lines that are known to
24 contain lead;

25 (3) the percentage of service lines that are known to
26 be of a material other than lead; and

1 (4) the percentage of service lines added to the
2 inventory after the previous submission of the annual lead
3 service line inventory.

4 (e) Beginning January 1, 2017, when conducting routine
5 inspections of community water supplies as required under this
6 Act, the Agency may conduct a separate audit to identify
7 progress that the community water supply has made toward
8 completing the material inventories required under this
9 Section.

10 (f) The owner or operator of a community water supply shall
11 promptly notify the owners and occupants of a residence where
12 sampling results show lead levels in any individual tap sample
13 exceed 15 parts per billion (15 micrograms per liter) and shall
14 also provide public education materials comparable in content
15 to the public education materials that the Board rules require
16 to be delivered when a supplier exceeds the lead action level.

17 (g) The owner or operator of a community water supply
18 shall, 14 days prior to beginning planned work to repair or
19 replace any water mains or lead service lines, notify the
20 owners and occupants of all potentially affected residences of
21 the planned work. In cases where a community water supply must
22 perform construction or repair work on an emergency basis or
23 where such work is not scheduled at least 14 days prior to work
24 taking place, the community water supply shall notify
25 potentially affected residences as soon as reasonably
26 possible. When work is to repair or replace a water meter, the

1 notification shall be provided at the time the work is
2 initiated. The notification shall include:

3 (1) a warning that the work may result in sediment,
4 possibly containing lead, in the residence's water supply;
5 and

6 (2) information concerning best practices for
7 preventing the consumption of any lead in drinking water,
8 including a recommendation to flush water lines during and
9 after the completion of the repair or replacement work and
10 to clean faucet aerator screens.

11 (h) A source origination community water system's
12 obligation to comply with this Section is limited
13 geographically to any and all activity that occurs within the
14 corporate limits of the city, village, or incorporated town
15 that owns or operates the source origination community water
16 system. Once a source origination community water system has
17 furnished water to a non-source origination community water
18 system, it is the sole responsibility of that system to comply
19 with and implement the provisions of this Section. Nothing in
20 this Section shall relieve a community water system of its
21 obligations under the Public Water Supply Operations Act.

22 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)

23 Sec. 19.3. Water Revolving Fund.

24 (a) There is hereby created within the State Treasury a
25 Water Revolving Fund, consisting of 3 interest-bearing special

1 programs to be known as the Water Pollution Control Loan
2 Program, the Public Water Supply Loan Program, and the Loan
3 Support Program, which shall be used and administered by the
4 Agency.

5 (b) The Water Pollution Control Loan Program shall be used
6 and administered by the Agency to provide assistance for the
7 following purposes:

8 (1) to accept and retain funds from grant awards,
9 appropriations, transfers, and payments of interest and
10 principal;

11 (2) to make direct loans at or below market interest
12 rates and to provide additional subsidization, including,
13 but not limited to, forgiveness of principal, negative
14 interest rates, and grants, to any eligible local
15 government unit to finance the construction of treatments
16 works, including storm water treatment systems that are
17 treatment works, ~~and~~ projects that fulfill federal State
18 Revolving Fund grant requirements for a green project
19 reserve, and sampling and replacement of lead pipes and
20 fixtures in schools;

21 (2.5) with respect to funds provided under the American
22 Recovery and Reinvestment Act of 2009:

23 (A) to make direct loans at or below market
24 interest rates to any eligible local government unit
25 and to provide additional subsidization to any
26 eligible local government unit, including, but not

1 limited to, forgiveness of principal, negative
2 interest rates, and grants;

3 (B) to make direct loans at or below market
4 interest rates to any eligible local government unit to
5 buy or refinance debt obligations for treatment works
6 incurred on or after October 1, 2008; and

7 (C) to provide additional subsidization,
8 including, but not limited to, forgiveness of
9 principal, negative interest rates, and grants for
10 treatment works incurred on or after October 1, 2008;

11 (3) to make direct loans at or below market interest
12 rates and to provide additional subsidization, including,
13 but not limited to, forgiveness of principal, negative
14 interest rates, and grants, to any eligible local
15 government unit to buy or refinance debt obligations for
16 costs incurred after March 7, 1985, for the construction of
17 treatment works, including storm water treatment systems
18 that are treatment works, and projects that fulfill federal
19 State Revolving Fund grant requirements for a green project
20 reserve;

21 (3.5) to make loans, including, but not limited to,
22 loans through a linked deposit program, at or below market
23 interest rates for the implementation of a management
24 program established under Section 319 of the Federal Water
25 Pollution Control Act, as amended;

26 (4) to guarantee or purchase insurance for local

1 obligations where such action would improve credit market
2 access or reduce interest rates;

3 (5) as a source of revenue or security for the payment
4 of principal and interest on revenue or general obligation
5 bonds issued by the State or any political subdivision or
6 instrumentality thereof, if the proceeds of such bonds will
7 be deposited in the Fund;

8 (6) to finance the reasonable costs incurred by the
9 Agency in the administration of the Fund;

10 (7) to transfer funds to the Public Water Supply Loan
11 Program; and

12 (8) notwithstanding any other provision of this
13 subsection (b), to provide, in accordance with rules
14 adopted under this Title, any other financial assistance
15 that may be provided under Section 603 of the Federal Water
16 Pollution Control Act for any other projects or activities
17 eligible for assistance under that Section or federal rules
18 adopted to implement that Section.

19 (c) The Loan Support Program shall be used and administered
20 by the Agency for the following purposes:

21 (1) to accept and retain funds from grant awards and
22 appropriations;

23 (2) to finance the reasonable costs incurred by the
24 Agency in the administration of the Fund, including
25 activities under Title III of this Act, including the
26 administration of the State construction grant program;

1 (3) to transfer funds to the Water Pollution Control
2 Loan Program and the Public Water Supply Loan Program;

3 (4) to accept and retain a portion of the loan
4 repayments;

5 (5) to finance the development of the low interest loan
6 programs for water pollution control and public water
7 supply projects;

8 (6) to finance the reasonable costs incurred by the
9 Agency to provide technical assistance for public water
10 supplies; and

11 (7) to finance the reasonable costs incurred by the
12 Agency for public water system supervision programs, to
13 administer or provide for technical assistance through
14 source water protection programs, to develop and implement
15 a capacity development strategy, to delineate and assess
16 source water protection areas, and for an operator
17 certification program in accordance with Section 1452 of
18 the federal Safe Drinking Water Act.

19 (d) The Public Water Supply Loan Program shall be used and
20 administered by the Agency to provide assistance to local
21 government units and privately owned community water supplies
22 for public water supplies for the following public purposes:

23 (1) to accept and retain funds from grant awards,
24 appropriations, transfers, and payments of interest and
25 principal;

26 (2) to make direct loans at or below market interest

1 rates and to provide additional subsidization, including,
2 but not limited to, forgiveness of principal, negative
3 interest rates, and grants, to any eligible local
4 government unit or to any eligible privately owned
5 community water supply to finance the construction of water
6 supplies and projects that fulfill federal State Revolving
7 Fund grant requirements for a green project reserve;

8 (2.5) with respect to funds provided under the American
9 Recovery and Reinvestment Act of 2009:

10 (A) to make direct loans at or below market
11 interest rates to any eligible local government unit or
12 to any eligible privately owned community water
13 supply, and to provide additional subsidization to any
14 eligible local government unit or to any eligible
15 privately owned community water supply, including, but
16 not limited to, forgiveness of principal, negative
17 interest rates, and grants;

18 (B) to buy or refinance the debt obligation of a
19 local government unit for costs incurred on or after
20 October 1, 2008; and

21 (C) to provide additional subsidization,
22 including, but not limited to, forgiveness of
23 principal, negative interest rates, and grants for a
24 local government unit for costs incurred on or after
25 October 1, 2008;

26 (3) to make direct loans at or below market interest

1 rates and to provide additional subsidization, including,
2 but not limited to, forgiveness of principal, negative
3 interest rates, and grants, to any eligible local
4 government unit or to any eligible privately owned
5 community water supply to buy or refinance debt obligations
6 for costs incurred on or after July 17, 1997, for the
7 construction of water supplies and projects that fulfill
8 federal State Revolving Fund requirements for a green
9 project reserve;

10 (4) to guarantee local obligations where such action
11 would improve credit market access or reduce interest
12 rates;

13 (5) as a source of revenue or security for the payment
14 of principal and interest on revenue or general obligation
15 bonds issued by the State or any political subdivision or
16 instrumentality thereof, if the proceeds of such bonds will
17 be deposited into the Fund; and

18 (6) to transfer funds to the Water Pollution Control
19 Loan Program.

20 (e) The Agency is designated as the administering agency of
21 the Fund. The Agency shall submit to the Regional Administrator
22 of the United States Environmental Protection Agency an
23 intended use plan which outlines the proposed use of funds
24 available to the State. The Agency shall take all actions
25 necessary to secure to the State the benefits of the federal
26 Water Pollution Control Act and the federal Safe Drinking Water

1 Act, as now or hereafter amended.

2 (f) The Agency shall have the power to enter into
3 intergovernmental agreements with the federal government or
4 the State, or any instrumentality thereof, for purposes of
5 capitalizing the Water Revolving Fund. Moneys on deposit in the
6 Water Revolving Fund may be used for the creation of reserve
7 funds or pledged funds that secure the obligations of repayment
8 of loans made pursuant to this Section. For the purpose of
9 obtaining capital for deposit into the Water Revolving Fund,
10 the Agency may also enter into agreements with financial
11 institutions and other persons for the purpose of selling loans
12 and developing a secondary market for such loans. The Agency
13 shall have the power to create and establish such reserve funds
14 and accounts as may be necessary or desirable to accomplish its
15 purposes under this subsection and to allocate its available
16 moneys into such funds and accounts. Investment earnings on
17 moneys held in the Water Revolving Fund, including any reserve
18 fund or pledged fund, shall be deposited into the Water
19 Revolving Fund.

20 (Source: P.A. 98-782, eff. 7-23-14; 99-187, eff. 7-29-15.)

21 (415 ILCS 5/19.4) (from Ch. 111 1/2, par. 1019.4)

22 Sec. 19.4. Regulations; priorities.

23 (a) The Agency shall have the authority to promulgate
24 regulations for the administration of this Title, including,
25 but not limited to, rules setting forth procedures and criteria

1 concerning loan applications and the issuance of loans. For
2 loans to units of local government, the regulations shall
3 include, but need not be limited to, the following elements:

4 (1) loan application requirements;

5 (2) determination of credit worthiness of the loan
6 applicant;

7 (3) special loan terms, as necessary, for securing the
8 repayment of the loan;

9 (4) assurance of payment;

10 (5) interest rates;

11 (6) loan support rates;

12 (7) impact on user charges;

13 (8) eligibility of proposed construction;

14 (9) priority of needs;

15 (10) special loan terms for disadvantaged communities;

16 (11) maximum limits on annual distributions of funds to
17 applicants or groups of applicants;

18 (12) penalties for noncompliance with loan
19 requirements and conditions, including stop-work orders,
20 termination, and recovery of loan funds; and

21 (13) indemnification of the State of Illinois and the
22 Agency by the loan recipient.

23 (b) The Agency shall have the authority to promulgate
24 regulations to set forth procedures and criteria concerning
25 loan applications for loan recipients other than units of local
26 government. In addition to all of the elements required for

1 units of local government under subsection (a), the regulations
2 shall include, but need not be limited to, the following
3 elements:

4 (1) types of security required for the loan;

5 (2) types of collateral, as necessary, that can be
6 pledged for the loan; and

7 (3) staged access to fund privately owned community
8 water supplies.

9 (c) Rules adopted under this Title shall also include, but
10 shall not be limited to, criteria for prioritizing the issuance
11 of loans under this Title according to applicant need. Priority
12 in making loans from the Public Water Supply Loan Program must
13 first be given to local government units and privately owned
14 community water supplies that need to make capital improvements
15 to protect human health and to achieve compliance with the
16 State and federal primary drinking water standards adopted
17 pursuant to this Act and the federal Safe Drinking Water Act,
18 as now and hereafter amended. Rules for prioritizing loans from
19 the Water Pollution Control Loan Program may include, but shall
20 not be limited to, criteria designed to encourage green
21 infrastructure, water efficiency, environmentally innovative
22 projects, ~~and~~ nutrient pollution removal, and lead sampling and
23 removal.

24 (d) The Agency shall have the authority to promulgate
25 regulations to set forth procedures and criteria concerning
26 loan applications for funds provided under the American

1 Recovery and Reinvestment Act of 2009. In addition, due to time
2 constraints in the American Recovery and Reinvestment Act of
3 2009, the Agency shall adopt emergency rules as necessary to
4 allow the timely administration of funds provided under the
5 American Recovery and Reinvestment Act of 2009. Emergency rules
6 adopted under this subsection (d) shall be adopted in
7 accordance with Section 5-45 of the Illinois Administrative
8 Procedure Act.

9 (e) The Agency may adopt rules to create a linked deposit
10 loan program through which loans made pursuant to paragraph
11 (3.5) of subsection (b) of Section 19.3 may be made through
12 private lenders. Rules adopted under this subsection (e) shall
13 include, but shall not be limited to, provisions requiring
14 private lenders, prior to disbursing loan proceeds through the
15 linked deposit loan program, to verify that the loan recipients
16 have been approved by the Agency for financing under paragraph
17 (3.5) of subsection (b) of Section 19.3.

18 (Source: P.A. 98-782, eff. 7-23-14.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law."